

**Audit of Specialty License Plate
and Voluntary Contributions
Florida Network of Children's Advocacy Centers, Inc.
Stop Child Abuse
Audit Report 201415-38**

November 17, 2015

Executive Summary

The purpose of this audit was to determine compliance with applicable laws, policies, and regulations related to the annual affidavits prepared by the Florida Network of Children's Advocacy Centers, Inc. (Network) for the Stop Child Abuse specialty license plate and voluntary contributions. The Network is required to submit Revenue, Expenditure, and Compliance Affidavits to the Department of Highway Safety and Motor Vehicles (Department) within nine months after the end of the Network's fiscal year for both the specialty license plate and voluntary contributions. The affidavits submitted by the Network for the 2014 Fiscal Year ended June 30, 2014, were used for this audit.

For every Stop Child Abuse specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the Network and The Children's Home Society of Florida (Society), both non-profit organizations. Section 320.08058(41), Florida Statutes (F.S.), specifies that 50 percent of the proceeds shall be distributed to the Network board of directors for distribution among Network participant centers throughout the state.

The other 50 percent of the proceeds shall be distributed to the Society. The results of our audit of the Society are reported separately.

Voluntary contributions of \$1 to the Network are permitted for motor vehicle registrations and renewal registrations. Section 320.02(15)(n), F.S., provides that the Network may retain a maximum of 50 percent of the revenues to support the Network's activities, and the remainder shall be distributed equitably among the Network members.

During our audit, we determined the Network generally complied with applicable laws, policies, and regulations related to the annual affidavits. However, we did note compliance related to the statutory distribution of specialty license plate funds could be improved. The Network concurred with the audit finding.

Background and Introduction

Specialty license plates are license plates available to the general public with unique designs that promote philanthropic and other causes and require payment of an additional annual use fee. Section 320.08056, F.S., authorizes the issuance of all specialty license plates and specifies the annual use fee for the more than 120 specialty license plates Florida offers.

Section 320.02, F.S., permits applicants to make voluntary contributions of specified minimum amounts to various organizations for philanthropic and other causes during the motor vehicle registration and renewal registration process.

Sections 320.08062 and 320.023(7), F.S., grant the Department authority to examine all records relating to the use of specialty license plate funds and voluntary contributions, respectively. The Office of Inspector General included the examination of specialty license plate and voluntary contributions recipient organizations in its annual work plan.

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Receipts for the 2014 Fiscal Year included \$92,069 for specialty license plates and \$48,130 for voluntary contributions.

We used the Network's 2014 Fiscal Year affidavits and financial records for this audit.

Findings and Recommendations

During our audit, we determined the Network generally complied with applicable laws, policies, and regulations related to the annual affidavits for the Stop Child Abuse specialty license plate and voluntary contributions. However, we identified the following issue which requires management attention.

Statutory Required Distributions – Specialty License Plate

Section 320.08058(41), F.S., requires the Network board of directors to develop funding criteria and an allocation methodology that ensures an equitable distribution of those funds among network participant centers that meet the standards set forth in Section 39.3035, F.S. The criteria and methodologies shall take into account factors that include, but need not be limited to, the center's accreditation status with respect to the National Children's Alliance, the number of clients served, and the population of the area being served by the children's advocacy center.

During the 2014 Fiscal Year, the Network distributed \$95,000 in specialty license plate funds to the various network centers. Each of the 25 centers received \$3,800. While each center received specialty license plate funding, the distribution criteria and methodology did not address the factors addressed in the statutes.

Finding 1

The Network could improve compliance by including the statutorily required factors in its criteria and methodologies used to distribute the specialty license plate funds to the various network centers.

Recommendation

We recommend the Network incorporate the statutorily required factors in its distribution criteria and methodology to determine the appropriate amount to be distributed to each network participant center.

Management Response

In November 2015, the Network adopted a revised allocation methodology to distribute license plate funds received by the Network. The allocation methodology will be used in June 2016 to distribute the funds received by the Network from July 1, 2015 through June 30, 2016.

Purpose, Scope, and Methodology

The purpose of this audit was to determine the Network's compliance with applicable laws, policies, and regulations related to the annual affidavits prepared by the Network for the Stop Child Abuse specialty license plate and motor vehicle registrations voluntary contributions.

The scope of this audit included revenues and expenditures reported on the Network's affidavits for the 2014 Fiscal Year, and revenue and expenditures for specialty license plate and voluntary contributions reported in the Network's financial records for the 2014 Fiscal Year.

The methodology included:

- Reviewing Florida Statutes related to specialty license plate fees and voluntary contributions;
- Reviewing Department policies and regulations related to specialty license plate fees and voluntary contributions;
- Reviewing the Network's policies related to the use of specialty license plate fees and voluntary contributions;
- Reconciling the Department distribution of annual use fees and voluntary contributions to revenues reported on the affidavits filed by the Network;
- Reconciling the expenditures reported on the affidavits to the Network's financial records;
- Reviewing the use of funds by the Network to ensure there is adequate supporting documentation, and the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits, state single audits, or subrecipient monitoring; and
- Comparing expenditures to statutory requirements for distributions, and reviewing reasonableness of balances.



Distribution, Statement of Accordance, and Project Team

Distribution

Terry L. Rhodes, Executive Director
Diana Vaughn, Deputy Executive Director
Leslie Palmer, Chief of Staff
Robert Kynoch, Director of Motorist Services
Julie Larsen, Bureau Chief of Issuance Oversight

John M. Knight, Chief Executive Officer, Florida Network of Children's Advocacy Centers, Inc.
Julie Hurst, President, Florida Network of Children's Advocacy Centers, Inc.

Melinda M. Miguel, Chief Inspector General
Sherrill F. Norman, Auditor General

Statement of Accordance

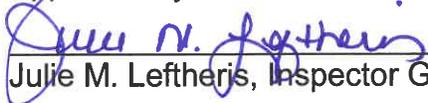
Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General. Pursuant to Chapter 119, Florida Statutes, public records held by the Department's Inspector General are available upon request for inspection or copying.

Project Team

Engagement conducted by:
Cindy Fernald, Auditor

Under the supervision of:
David Ulewicz, Audit Director

Approved by:


Julie M. Leftheris, Inspector General

ATTACHMENT - Management Response



**Florida Network of
Children's Advocacy Centers**

*Chief Executive Officer: John M. Knight
E-mail: jknight@fncaac.org*

November 16, 2015

David Ulewicz
Audit Director
Florida Department of Highway Safety
And Motor Vehicles
2900 Apalachee Parkway
Tallahassee, FL 32399-0500

Re: Audit Findings

Dear Mr. Ulewicz

On behalf of the Florida Network of Children's Advocacy Centers. We concur with Finding 1 of the Preliminary and Tentative Audit Finding and Recommendation dated October 30, 2015 and hereby submit the attached corrective plan.

On Friday, November 13, 2015, the Board of the FNCAC adopted the attached allocation methodology to distribute license plate funds received by the FNCAC. This allocation methodology will be used in June 2016 to distribute the funds received by the FNCAC from July 1, 2015 through June 30, 2016. We believe the attached methodology is in compliance with the statutory criteria set forth in Section 320.08058(41), Florida Statutes.

Thank you.

Sincerely,

John M. Knight
Chief Executive Officer

Enclosures

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**FLORIDA NETWORK OF CHILDREN’S ADVOCACY CENTERS
LICENSE PLATE ALLOCATION METHODOLOGY
(Fiscal Year 2015-2016)**

(Approved November 13, 2015)

Allocation of Funds that require an allocation methodology would be based on a point system to determine the \$ amount allocated to each center:

Allocation Methodology 1 based on # of Clients:

1. We count unduplicated clients (children) served at the center during calendar year 2014. A client is a child 0 to 18 (primary victim or secondary victim) who receives direct services at the CAC.

Allocation Methodology 2 based on # of Direct Services

2. We count the number of direct services provided at the center during calendar year 2014.

Allocation Methodology 3 based on Population Served:

3. Population determined by most current census numbers provided by FNCAC. Population includes children only population.

Allocation Methodology 4 based on CAC NCA Membership Status:

4. Full Member CACs would be weighted higher than Associate Member CACs.

Scoring:

Allocation 1 – 35% - Counts 35% of the total points or 35 points. The number of children served by the 26 CACs will be totaled to determine total number of children served. CACs will be measured by the percentage of children they serve out of the 100% served by all CACs.

Allocation 2 – 35% - Counts 35% of the total points or 35 points. The number of direct services provided by the CACs will be totaled to determine the total number of direct services provided. CACs will be measured by the percentage of direct services they provided out of the 100% of total services provided by all the CACs.

Allocation 3 – 15% - Counts 15% of the total points or 15 points. The child population for the counties served by the 26 CACs will be totaled. CACs will be measured by the percentage of children in their service area out of the 100% of children in the total population figures for the 27 CACs.

Allocation 4 – 15% - Counts 15% of the total points or 15 points. A CAC with Full Member NCA Accreditation would receive 100% of the 15% or 15 points. A CAC with Associate or Affiliate Membership NCA status would receive 33 1/3% of the 15% or 5 points.

Total points 100

\$ _____ = 100 points

Each center will receive a portion of funds based on their % of points.

